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SUBJECT: FRAUD SUMMARY - AIT TAIPEI, JANUARY 2006

REFS: (A) 05 AIT TAIPEI 2416 (B) 05 AIT TAIPEI 3816  
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SUMMARY: While AIT Taipei experiences low rates of documentary fraud in immigrant and nonimmigrant visas, and American Citizen Services operations, the use of Taiwan passports containing valid U.S. NIVs to smuggle nationals of the People's Republic of China (PRC) into the United States continues to be a major concern and the primary focus of AIT's Fraud Prevention Unit. Post has excellent relationships with Taiwan government authorities, representative offices of other countries, and DHS/CBP and DHS/ICE officers in the U.S. and abroad. This, plus intensive investigation into individual alien smuggling cases, as well as continual discussion of fraud trends among adjudicating officers, has raised the bar for alien smugglers, but a solution to this ever-evolving problem remains elusive. END SUMMARY.

1A. COUNTRY CONDITIONS: Taiwan is a fully developed and industrialized society. Long a powerhouse of manufacturing in everything from light industry to high technology, Taiwan has one of the highest standards of living in East Asia. Politically, Taiwan has continually made steps towards more transparency, rule of law, and democratic processes in a peaceful fashion. While tensions exist between Taiwan and the People's Republic of China (PRC), these tensions have not had a major impact on migration patterns of Taiwan passport holders.

The United States has long been a popular destination for Taiwan travelers for tourism, education, business, and family visits. Despite the high volume of Taiwan travelers to the U.S. (in FY 2005, AIT adjudicated 200,000 non-immigrant visa applications), the overstay rate among Taiwan passport holders is low. AIT's nonimmigrant visa refusal rate is commensurately low, thus minimizing the number of applicants who might otherwise use false documents, fake marriages, and other forms of fraud to overcome the presumption of immigrant intent. Fraud prevention efforts in Taiwan are targeted primarily at the sale and use of valid Taiwan travel documents containing U.S. visas to illegal

aliens and their escorts which are used to smuggle nationals of the People's Republic of China to the U.S. illegally.

For both economic and cultural reasons, Taiwan is also a magnet for ethnic Chinese from other areas in Asia, particularly Burma and Vietnam, as well as PRC nationals who migrate to Taiwan primarily from coastal Fujian Province. After meeting certain conditions, these migrants can receive a Taiwan national ID card and Taiwan passport.

1B. NIV FRAUD: AIT has seen negligible amounts of fraud in applications for all classes of non-immigrant visa, including the L, E, and H1B categories. The majority of Taiwan passport holders have strong ties to Taiwan that are easily demonstrated. Obtaining genuine job certificates, household records, police certificates, bank statements, school registration certificates and other documents that demonstrate an individual's bona fides is generally easy, and the information contained in the documents is generally reliable and accurate. Thus, there is little need and little market for forged documentation.

Although a relatively small percentage of our total NIV workload, AIT does receive a substantial number of applications from citizens of Philippines, Burma, Vietnam, Thailand, and Indonesia. Most of these applicants are visa shoppers with few ties to their home countries and no ties to Taiwan. Additionally, overseas Chinese temporarily resident in Taiwan and PRC immigrants to Taiwan also frequently apply for visas at AIT. AIT's 2005 validation study (see Ref A) showed that all of these applicants had low rates of return to Taiwan and they are adjudicated

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accordingly.

The most significant NIV fraud trend in Taiwan is the improper use of Taiwan passports with valid U.S. NIVs by organizations smuggling PRC nationals into the U.S. Because Taiwan passport holders are considered low risk travelers, Taiwan passports containing valid U.S. visas are valuable items in this lucrative trade. Criminal syndicates involved in PRC alien smuggling are highly sophisticated and organized, and their methods leave FPU limited options for combating them.

A common fraud pattern involves Taiwan passport holders applying for NIVs with genuine Taiwan passports, then immediately selling the passports with valid U.S. visas (normally B1/B2) to brokers or alien smuggling syndicates. Generally, the passports are not altered, but rather the passport is used by an imposter, usually a PRC citizen (see Ref B). Additionally, valid Taiwan passports are often used in boarding pass swaps, in which the passport and U.S. visa are used to obtain boarding passes that are then given to PRC nationals in airport transit lounges. These PRC nationals use the boarding passes to board non-stop flights to the United States, where they arrive as no-doc passengers requesting asylum (see Ref C). Taiwan passport holders frequently serve as escorts for groups of malafide PRC travelers.

FPU has conducted detailed investigations into, and maintains complete files on, cases of alien smuggling reported to AIT by local authorities, FPUs at other U.S. posts in the region, and DHS/CBP officers at U.S. ports of entry. Airport liaison has proved a particularly valuable tool in combating identity fraud and has thwarted many smuggling attempts at Taipei's Chiang Kai-shek International Airport. In addition, FPU has worked closely with the NIV unit in heightening awareness of potentially fraudulent applicants, and enhanced training for line officers and local staff.

1C. IV FRAUD: AIT experiences very little IV fraud.

Occasionally there is a need to verify family relationships, or there is some doubt about an applicant's qualifications for an employment based visa, but few of these cases involve outright fraud. Recently, we have seen a few employment based applications with petition approval based on the applicants' entrepreneurial experience gained while operating corporations in Taiwan or elsewhere in the region. However, the current condition of these corporations as presented during the interviews does not seem to be the same as presented to DHS when the petition is filed. Through investigating the local companies we attempt to determine if there has been a change in circumstances since the petition was filed, or if there was fraud or exaggeration in the petition application.

**D. DV FRAUD:** There is very little fraud in the Diversity Visa program at AIT. Taiwanese registration in the DV program has decreased over the last two years and interest in the program is limited. The few fraudulent cases encountered have involved overseas Chinese from Burma (carrying either Taiwan or Burmese passports) submitting fake school diplomas and transcripts.

Potential Taiwan DV applicants are frequently targeted by non-U.S. government organizations offering to register applicants in the DV program for a fee. Although these services are not fraudulent per se, they imply that registration is not possible without their services, or that their services can increase the chances of "winning." Often, their Web sites look deceptively similar to the Department of State's web site. Another trend we have seen are organizations, posing as USG entities, who send emails "congratulating" Taiwan passport holders on having "won" the Diversity Lottery, and asking for payment in order to

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"accept and process" a U.S. green card. In response, in November 2005 AIT's Consular Section issued a press release through the Public Affairs Section warning the public against these DV scams.

**E. ACS AND PASSPORT FRAUD:** AIT has had no cases of citizenship or passport fraud in recent years. There is no significant local market for stolen or fraudulent foreign passports and Taiwan citizens are not seeking to fraudulently obtain foreign citizenship. Taiwan documentation used to support U.S. citizenship claims for Consular Report of Birth Abroad (CRBA) cases, such as hospital records, birth certificates, family registries, and entry-exit histories, are reliable and verifiable. In the few CRBA cases where there was not sufficient documentation to confirm a claim of paternity by an American citizen, DNA testing was done and in every case paternity was confirmed.

**F. ADOPTION FRAUD:** There have been no confirmed cases of adoption fraud in Taiwan for immigration to the United States. In the few instances where cases raised suspicions, additional questioning of the adopting parents and, in one instance, by an FPU field investigation and cooperation with DHS resolved the case.

Most adoptions by American citizens of Taiwanese orphans are conducted through orphanages/adoption agencies in Taiwan with whom AIT has excellent working relationships. The IV Unit also has regular communication with the adoption agencies in the U.S. who refer their clients to Taiwan orphanages and agencies. The majority of adoption cases are prescreened by the Immigrant Visa unit for compatibility with U.S. immigration law prior to a child being identified to the prospective American parents and the initiation of local adoption proceedings. Local documentation is reliable and decisions by Taiwan courts are open and generally based on rule of law.

Private adoptions of Taiwan orphans by American citizens, who are often ethnic Chinese or dual US-Taiwan nationals,

are somewhat more problematic than those conducted through the agencies and orphanages, although no fraudulent cases have been identified. The origin of the children in these cases is often more difficult to trace and there are frequently family connections between the adopting parents and the children. There have been a few cases of family-based "targeted" adoptions where AIT has refused to process the cases as IR-3's or IR-4's because they have not met the standard for adoption of an orphan and the adopting parents have been advised they must instead maintain legal and physical custody of the child(ren) for two years for them to qualify as IR-2's.

1G. ASYLUM AND OTHER DHS BENEFIT FRAUD: AIT has had no fraud in this area. Reports of lost/stolen I-551 are frequent, but checks through DHS have confirmed the status of all the applicants. We issued 107 travel letters in FY 2005 to replace lost I-551s, one Visas 91, and no Visas 92 and Visas 93 in FY 2005, with no cases in process.

1H. COOPERATION WITH HOST GOVERNMENT AUTHORITIES: Local law enforcement takes seriously the abuse of Taiwan government-issued documents, but rarely prosecutes cases involving smuggling attempts to other countries, including the U.S. Local authorities actively investigate and prosecute, where possible, violation of laws concerning the issuance and use of Taiwan passports and national ID cards, and they have uncovered several alien smuggling rings in recent years. Local authorities have a number of laws on their books to use in bringing about arrests and prosecutions. The Taiwan Passport Law imposes a maximum 5 year prison sentence and/or NTD 500,000 (USD 15,000) fine for forging a passport or national ID card that is used to apply for a passport. The penalty is the same for "handing over" (e.g., selling) a passport or national ID card, except that the fine is

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NT\$100,000 (USD 3,000). Taiwan's immigration law also imposes a maximum 3 year sentence and/or NT\$1 million (USD 30,000) fine on boarding pass swappers, although this crime is rarely prosecuted. This punishment is heavier when illegal PRC nationals are involved. Article 80 of the "Statute Governing Relations Between People's of the Taiwan Area and the Mainland Area" stipulate a maximum prison sentence of 3 years and/or a fine of NT\$1 million to NT\$15 million (USD 30,000 to USD 455,000) for anyone who illegally transports PRC nationals into Taiwan or countries other than the PRC.

However, enforcement of these penalties does not seem to be entirely consistent, often because local law enforcement struggles with the question of jurisdiction. For example, most boarding pass swaps occur in the transit lounge at CKS Airport, and there seems to be a constantly shifting consensus on whether or not transit lounges are considered to be within law enforcement's legal jurisdiction. For the most part, however, the Aviation Police Bureau has cooperated closely with both AIT and DHS/CBP officers at the ports of entry in intercepting swappers and their PRC national clients at CKS International Airport, although arrests are rarely made.

Overall, FPU's relations with host government authorities have been positive and constructive. FPU enjoys excellent relations with the Ministry of Justice's Investigation Bureau, and the National Police Administration's Criminal Investigation Bureau and Aviation Police Bureau, particularly in the sharing of information regarding known alien smugglers and their Taiwan recruits.

FPU has also enjoyed good relations with the Ministry of Interior's Immigration Bureau, particularly in tracking the movements of Taiwan passport holders in and out of Taiwan. However, in 2004, the Taiwan government prohibited all government agencies from releasing information on Taiwan passport holders to foreign government entities, and written

requests for such information have gone unanswered. In addition, the Immigration Bureau and the Aviation Police have been reluctant to assist FPU in flagging and detaining alien smugglers moving in and out of Taiwan unless they are caught in an actual act of smuggling.

FPU's cooperation with the Ministry of Foreign Affairs has been excellent, particularly with the passport division, who routinely provide information regarding reports of lost and stolen passports, as well as information regarding specific passport applications.

AIT's Consular Section continues to promote training of local airline and immigration personnel and urge greater local prosecution of immigration fraud, and more secure methods of obtaining local identity documents.

II. AREAS OF PARTICULAR CONCERN: Interdiction of alien smugglers is a difficult task for FPU because a significant amount of this fraud occurs beyond our control. For example, CKS International Airport, which has a relatively high number of non-stop flights to the United States, is often used for boarding pass swaps between non-Taiwan third-country nationals and illegal PRC nationals transiting the airport to the U.S. These swaps may or may not involve Taiwan travel documents (see Ref D). In addition, Taiwan documents are often used to smuggle illegal PRC nationals into the U.S. through Central and South America, often following circuitous routes from Asia through Africa and/or Europe. Finally, data on Taiwan citizens found to have misused or sold their U.S. NIV's shows that a broad range of applicants is involved in this activity, making detection at time of visa interview extremely difficult.

Since FPU often does not learn about smuggling activity until after flights carrying smuggled individuals are en

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route to the U.S., close cooperation with DHS/CBP officers at U.S. ports of entry is essential. FPU has worked with DHS/CBP line officers at Agana (Guam), Los Angeles, and Honolulu airports, which have resulted in numerous interdictions of alien escorts and illegal PRC nationals, and even some arrests and prosecutions. However, FPU could benefit from closer, more formalized cooperation with DHS/CBP. For example, TECS/IBIS and CLASS should expand information-sharing, and a list of key contacts in various DHS/CBP offices and ports of entry could facilitate more and faster communication.

FPU has cooperated closely with the Canadian, Australian, British, New Zealand, German, and Dutch representative offices in Taipei. In May 2005, AIT hosted a Pan-American fraud prevention meeting that brought together representatives from the embassies of Costa Rica, Nicaragua, El Salvador, Honduras, and Guatemala, as well as the Brazilian, Canadian, and Mexican trade offices in Taipei, to discuss the problem of alien smuggling through Central and South America.

JJ. STAFFING AND TRAINING: Post's Fraud Prevention Manager is a part-time position, generally a second-tour Entry Level Officer with collateral duties that rotate through the IV, NIV, and ACS units. FPU also has three full-time Foreign National (FN) fraud investigators. The incumbent FPM has had no fraud prevention training other than the fraud prevention unit of FSI's Basic consular training course. One FN investigator received fraud prevention training in Washington in 2002. The other two FN investigators have had no formal fraud prevention training.

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